you sure that the price of food is within the reach of every common man? What is the arrangement you have made in this Welfare State to see that every common man has his quota of food at prices within his reach ? On the other hand, you are acting like businessmen, like black-marketeers. As was pointed out by my friend, you are purchasing paddy at Rs. 25 per palla, but you are selling it at Rs. 33, *i.e.*, you are purchasing rice at Rs. 50 and selling it at Rs. 66 per palla. Is it service at cost ? In all these matters, why do you burden the people ? If you are incapable of providing the sufficient quota of food for the people, why do you burden the people ? I would say, spare us from our friends and leave us at peace. You bring in de-control. We do not want any control from you. We will be happy without any of your controls and decontrols. Do you know the effects of your order raising the price of millets from four to three seers per rupee? Before you passed that order, Millets were freely available in the open market at four to four-and-a half seers per rupee. But your order had the effect of raising the price. Suddenly the price of millets rose up in the open market and even at three seers are not available in the open market. Take the neighbouring State of Madras. I have to admire the bold policy set in motion by Sri C. Rajagopalachari. In the neighbouring State where there is no control, in Kottur, beautiful Bezawada rice is being sold at two seers per rupee. Thousands and thousands of bags are being sold there. I have seen it. Millets are found there in abundance. They are available at 3½ to 4 seers per rupee. Why do you not adopt the neighbouring States' policy? Why are you still higgle-haggling about this policy of control ? Controls and restrictions always create scarcity and scarcity always creates black-market and the result is soaring of prices and we suffer. Please wash off your hands from this business. We will take care of ourselves and the country will take care of itself. Please create a free market and a free market will certainly bring us enough of food.

2-30 P.M.

Mr. SPEAKER.—Sri Mohamed Imam may continue after the presentation of the Budget.

PRESENTATION OF THE BUDGET FOR 1953-54.

Sri A. G. RAMACHANDRA RAO (Minister for Law and Education).—Sir, I beg to present the Budget for 1953-54 and while doing so I deem it a privilege which the Hon'ble Chief Minister and the Finance Minister has given me. Certainly it would have been better if he were present here and present the Budget himself. But unfortunately he is ill. However, I am glad to say that he has recovered and I expect that he will be amidst us in the course of a few days.

Sir, I rise to present before the House the Budget Estimates for 1953-54. As indicated in the speech on Budget Estimates of 1952-53, this Ministry took office at a time when a heavy deficit was left to be covered. Ever since the present Government took the responsibility of administration, continuous efforts have been made to secure economy. The retrenchment measures indicated in the last Budget speech have been given effect to, though the Savings have been offset by increases in expenditure on other inevitable items of expenditure in other directions. The policy of carrying on Food operations on *no profit no loss* basis as repeatedly recommended by the Public Accounts Committee could not be given effect to completely though the issue prices were revised to reduce the wide gap and it could be seen from the Revised Estimates that State Revenues have still to bear Rs. 15·55 lakhs during the current year excluding charges on administration (38·92 lakhs). On account of the several measures undertaken by the Centre, there was a decline in the prices of several commodities and but for the failure of rains resulting in distress conditions throughout the State, there could have been no hesitation on the part of Government

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to achieve complete decontrol of foodgrains thus leaving the market to settle the prices. In considering the Estimates and offering sound criticisms I request the House to take into consideration the existing special circumstances.

Finance Commission.—During the year, the first Finance Commission appointed under the Constitution submitted its Report which has been accepted by the Centre. The State Government submitted two memoranda suggesting its views regarding allocation of Income-tax and Excise Duties and requesting for a Revision of the Revenue gap and enhanced grants for Development Schemes. According to the Recommendation of the Commission on the allocation of Income-tax 2·75 per cent of the net proceeds is set apart for Part C States and of the balance 55 per cent is proposed to be distributed among Part A and Part B States. The amount distributable is to be allocated partly on the basis of population (80 per cent) and partly on the basis of collection (20 per cent). The Commission has recommended that 40 per cent of the Union Excise Duties on tobacco, matches and vegetable products should be distributed on the basis of population. Considering the varied representations made by several States, I feel that the recommendation appears to be fair and equitable though our State is not benefited by this in view of the fact that the Revenue gap which we are now getting is much higher than the share expected from these allocations.

The Commission has left the question of revision of Revenue gap for consideration at a later stage since under Articles 278 and 306 of the Constitution, the President is empowered to terminate or modify the existing agreement only after the expiration of five years from the commencement of the Constitution.

The Commission has recognised that the State's resources are limited and a grant-in-aid of Rs. 40 lakhs has been recommended for maintaining existing progress. This, though it is a considerable help, in no way, solves our problem and will not meet any appreciable portion of our expenditure in Nation Building activities and so I feel that full justice has not been done to Mysore.

Central Assistance.—The following are the grants and loans so far received, or promised by the Government of India :—

(Rs. in lakhs

	Grants	*Loans*				*Tatal Loans*
	G.M.F. and other Schemes.	*Capital*	*Iron Works*	*G.M.F. Schemes*	*Others*	
1949-50 ...	45·92	...	...	...	7·80	7·80
1950-51 ...	46·87	200·00	...	69.50	...	269·50
1951-52 ...	56·57	150·00	40·00	25·50	20·00	235·50
1952-53 ... (anticipated)	30·60	150·00	125·00	50·20	1·00	326·20
1953-54 (anticipated)	17·09	150·00	100·00	67·30	86·00	403·30

The State Government had sufficiently explained to the Finance Commission the scope of their limited resources after Financial Integration.

The Commission have not considered our requests for loan assistance for financing major projects as this was a matter outside their purview. Repeated representations have been made to the Centre for liberal assistance to complete the Electricity Projects and Major Irrigation Works. The Government of India have assured us of only Rs. 1 crore for all the Capital Works (other than Iron Works) during the year 1953-54 and this assistance is not even enough to tackle essential normal works in the Electricity Department. I am

aware of the limited capacity of the Centre but at the same time it should not be forgotten that the scope for expansion of State's Financial Resources has been restricted after Integration. Revenue Surpluses cannot be thought of and Public Borrowing has its own limitation. In this context the only possible source is Central assistance and unless a practical and sympathetic view of the State's requirements is taken by the authorities in the Centre, one has to face a very bleak future.

Reserves and funds.—The State Government have explained to the Legislature on several occasions the manner in which the liquid resources have been utilised on capital and other works during the period 1946 to 1950 without resorting to public borrowings. A reference has also been made in the last speech and in the memorandum of the Finance Secretary to the fact that most of the book balances under Special Reserve, Rural Development and other Funds have to be treated as extinguished. During the year 1952-53, the cash position was rendered difficult in view of food operations, relief measures, short incomings under Saving Schemes and payment of outstanding items. In order to recoup the cash balance and to finance expenditure met from funds, the liquid securities to the extent of Rs. 2½ crores have to be realised. These securities do not pertain to percentage investment of liabilities due to outsiders.

Budgetary position.—I shall now briefly refer to salient features of the Budget Estimates and a review of the activities of certain important Departments.

The following are the Estimates for 1952-53 (Revised) and 1953-54 (Budget) :—

(Rs. in lakhs.)

	Budget 1952-53.	*Revised 1952-53.*	*Budget 1953-54.*
Revenue ...	1565·35	1458·42	1544·28
Grants from the Centre ...	345·00	385·00	385·00
Transfers from Funds ...	49·04	62·83	111·11
Extraordinary Receipts ...	42·53	61 01	21·86
Total ...	2001·62	1967·26	2062·25
Expenditure ...	2103·34	2021·01	2219·58
Deficit ...	101·72	53·75	157·33

I am aware that a deficit budget usually invites comments. I have given careful thought to the desirability of deficit budgeting. I can only say that under the existing circumstances there was no alternative. The only alternative was one of curtailing the level of expenditure on Social Services like Medical, Public Health, Education, Agriculture, Veterinary, etc., and in the Administrative Services like Police and administration of Justice or under Works Expenditure. It has been recognised that Mysore is spending largest percentage of income on Education and the *per capita* expenditure on Social Services is also highest in Mysore. It was not practicable to diminish the existing level of services rendered in these Departments and on the other hand increased grants had to be provided for normal development.

The problem has, however, to be faced boldly to wipe out the deficit since our Revenue Reserves have been expanded and the public demand is to increase the tempo of expenditure in the Nation Building Departments. If the expenditure cannot be cut down, the only alternative is recourse to additional taxation.

Taxation.—To reduce the deficit, it is proposed to introduce the following taxation measures :—

(*a*) Rate of Health Cess to be increased by 50 per cent. This is expected to yield about 3 lakhs.

(*b*) Education Cess is proposed to be increased to Re. 0-1-6 on all items of Revenue on which local cess is

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leviable. This will bring in a revenue of about Rs. 5 lakhs.

(*c*) Alteration in the tax structure of motor vehicles.
(*d*) Increase of petrol tax to Re. 0-6-0 per gallon.
} These will yield about Rs. 40 to 50 lakhs.

(*e*) The licensing of hotels is also under consideration and this is expected to give a revenue of about Rs. 4 lakhs.

Besides the above it is also proposed to reduce expenditure on schemes like Tractor Organisation, Fisheries, etc. Out of the deficit of Rs. 157·33 lakhs, a sum of Rs. 39 lakhs on the Food Department is only temporary and the measures referred to above are expected to yield about Rs. 50 to 60 lakhs. The balance of the deficit could be further reduced in the course of the year by a careful husbanding of our resources.

Revised, 1952-53.—The total Revenue anticipated is 1967·26 lakhs as against 2001·62 originally anticipated. The Revised figure includes a grant of Rs. 40 lakhs recommended by the Finance Commission. Increases are anticipated under Receipts from Motor Vehicles and other Taxes and Duties. A sum of Rs. 22 lakhs more is expected to be drawn from the Famine Insurance Reserve. Fall in receipts appears from Krishnarajasagar Irrigation, Industries and Supplies and Mining Revenue. The expenditure for the years is expected to be 2121·01 against the original estimate of 2103·34. Decreases are anticipated under Education, Medical, Public Health, Agriculture, Veterinary and Civil Works. Increased expenditure is expected under Famine, Pensions and Department of Food Supplies. The net result shows a deficit of Rs. 53·75 lakhs as against 101·72 lakhs anticipated.

Budget, 1953-54.—The total revenue including transfers from funds is estimated to be Rs. 2062·25 lakhs. The Sales-tax receipts show a fall of about Rs. 23 lakhs, Forest 5 lakhs and Excise 5 lakhs. Land Revenue including Cesses will go down considerably by about 30 lakhs in view of the assignment to Local Bodies. Mining Revenue, as compared to current year's Budget, shows a fall of about Rs. 10 lakhs due to fluctuating prices of gold, increased working expenses and other natural causes. Grants for Grow More Food Schemes have been reduced considerably in view of the change in policy of the Centre to allot only loans for these schemes. It is proposed to utilise about Rs. 50 lakhs from Irrigation Development Fund for financing expenditure on irrigation works chargeable to Revenue.

The expenditure is expected to reach 2219·58 lakhs.

The following table shows the progress of expenditure and funds in Nation Building Departments ;—

.....	1946-47	1948-49	1949-50	1950-51	1951-52	Revised, 1952-53	Budget, 1953-54
Education ...	130·64	253·49	213·72	288·56	299·33	335·97	377·57†
Agriculture ...	7·79	42·13	42·45	135·50	40·91	42·24	50·27
Veterinary ...	6·93	14·13	13·80	18·92	19·43	21·15	25·32
Horticulture ...	2·51	5·85	5·29	5·84	6·15	7·85	9·66
Sericulture ...	2·77	3·73	2·67	6·31	6·20	6·12	8·96
Industries and Supply ...	5·13	11·21	5·03	6·49	11·71	9·93	13·64
Department of Labour ...	...	1·94	2·01	2·37	3·56	3·42	3·20
Rural Development ...	...*	...†	19·52	31·45	48·52	42·15	31·52
Co-operative Societies ...	2·10	3·37	3·18	7·15	5·79	6·03	6·59
Grants for Public Improvements.	52·14	104·47	61·31	27·22	25·31	20·37	10·05
Public Works ...	102·23	150·78	137·72	143·53	277·74	321·72	321·45‡
Medical ...	33·94	32·51	50·56	79·87	83·25	87·80	102·75
Public Health ...	7·09	16·75	14·90	21·66	27·37	32·90	42·84
Total ...	352·52	690·41	572·21	824·87	855·27	996·89	1008·60

*Included in grants for Public Improvements.
†Does not include expenditure on Education Buildings, but includes expenditure on Industrial Education.
‡16·65 lakhs for Education Building Orginal Works and Repairs.

Provision has been made in the Budget for opening of new schools, dispensaries and health units. For improving communications in Malnad a special provision of Rs. 5 lakhs has been included. Increased provisions have been made for layout and maintenance of roads and bridges. For social and moral education a provision of Rs. 5 lakhs has been included.

Capital.—The following are the provisions for the Capital Programme:—

	Rs. in lakhs.	
Irrigation ...	156·61	
Electricity ...	150·00	
Iron Works ...	120·00	
Community Project.	25·00	(including grant transferred to Revenue).
Porcelain Factory	20·00	
Other Industries	40·76	
Road Transport... (Besides expenditure to be met from Depreciation Reserve).	5·00	

The entire capital is proposed to be financed partly from Central assistance and partly from Public Borrowings. The grant provided is the minimum and in case either of these resources is not realised to the extent anticipated, the programme has to be curtailed and this would mean further slowing down of the Five-Year Plan.

The year 1952-53 actually opened with a balance of Rs. 481·20 lakhs against Rs. 389·18 lakhs anticipated at the Budget stage. The Revenue deficit is expected to be Rs. 53·75 lakhs and the deficit outside the Revenue account is expected to be of the order of Rs. 151·62 lakhs. As a result the opening balance of the year dwindles down to Rs. 275·83 lakhs with which the year 1953-54 opens. The Revenue deficit for the coming year is expected to be Rs. 157·33 lakhs, but this is partly set off by a surplus of Rs. 20·49 lakhs under ways and means section. Consequently the year ends with a closing balance of Rs. 138·99 lakhs.

Literary and Cultural Development.—Government have under their consideration a comprehensive scheme for literary and cultural development which was inaugurated all over the State on the 27th November 1952, the purpose behind the scheme being the revival and dissemination of Indian Culture which is our invaluable heritage of the hoary past. His Highness the Maharaja was graciously pleased to send a message on the occasion and also to inaugurate the scheme at Nanjangud drawing pointed attention to the greatness of Indian Culture which even today has great potentialities for raising the moral, ethical and spiritual standards of our life. Many of our leaders have conveyed their good wishes for the scheme and the country has favourably responded to the same.

I now pass on to a more detailed consideration of a few items.

Sales Tax.—The revenue from this source rose from 81 lakhs in 1948-49 to 160 lakhs in the year 1951-52. The year 1952-53 anticipated a reduced revenue of about 140 lakhs on account of restrictions imposed under the Constitution, and this is expected to be fully realised. A further fall of Rs. 20 lakhs is anticipated during the coming year on account of the downward trend in sales. In May 1951 Government constituted a Committee to examine certain aspects of Sales Tax structure. The Committee submitted its report and Government have given effect to some of their recommendations. On account of several representations made by the business community, Government have recently constituted another Committee to suggest ways and means for remedying the defects, if any, in the existing Act and propose additional sources for any loss of revenue by amending the Act. It is hoped that this Committee will give practical suggestions so that Government could take suitable steps.

Insurance Department.—In the last speech reference had been made to the appointment of a retired Minister as General Manager for this Departent. Government constituted a Committee in the year 1952 to suggest ways and means of improvement. One of the recommendations of the Committee for enhancement of interest on Insurance

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Fund with retrospective effect is under the consideration of Government. As you are aware, the Insurance Fund is one of the main sources of improving Government's ways and means position and Government are anxious to take all possible steps to secure improvement in business. I am sure that this Department has a bright future under the able guidance of Sri J. Appaji Gowda, who now continues to be the General Manager.

Food situation in Mysore State.—Due to failure of rains the outturn of paddy crop and millets has fallen below the normal level. The procurement by Government is restricted only to paddy as millets have been decontrolled. On account of the anticipated low procurement, the Government of India have been asked to supply us during 1953, 180,000 tons of foodgrains to enable Government to discharge its obligations not only to the statutorily rationed areas but also to rural areas where crops have failed. In view of the increase in the cultivation expenses and to stimulate the tempo of Grow More Food Campaign, the procurement prices of paddy had to be stepped up by Rs. 4 per palla, the total amount involved being about Rs. 50 lakhs. In accordance with the policy of Government to run the food operations on the basis of service at cost, the issue prices had to be raised during the year. Even this rise in prices, Government have to meet from the General Revenues a sum of Rs. 54·97 lakhs during the current year and Rs. 36·09 lakhs during the coming year. Government are neither unaware nor unsympathetic to the demand of the people for the reductions in the present issue prices. They have been unable to tackle this question immediately in view of the budgetary position. This demand will remain their constant and anxious concern.

Grow More Food Campaign.—The several Grow More Food Schemes which were in operation in the State during the previous years were continued during the year 1952-53 as well. The financial assistance that the State has secured during the past three years from the Government of India is indicated below:—

(Rs. in lakhs).

Year	*Amount sanctioned.*		*Amount drawn.*	
	Grants.	*Loans.*	*Grants.*	*Loans.*
1949-50	51·02	29·50	45·92	29·50
1950-51	38·01	90·00	46·87	90·00
1951-52	67·72	35·50	66·57	25·50

As regards the year 1952-53, the Government of India have sanctioned a loan of Rs. 100.20 lakhs and a grant of Rs. 31·10 lakhs. The expenditure on account of the several Grow More Food Schemes in operation during the current year incurred up to the end of December 1952, has amounted to Rs. 57·07 lakhs while the anticipated outlay in respect of these schemes for the remaining period of the year is Rs. 99·11 lakhs. For the year 1953-54, the Government of India have agreed to sanction a loan of Rs. 67 30 lakhs and grant of Rs. 5·09 lakhs against our request for a loan of Rs. 126·55 lakhs and a grant of Rs. 38·97 lakhs.

The progress achieved during the past 3 years, *viz.*, 1949-50, 1950-51 and 1951-52 and also during the current year up to the end of December 1952, is indicated below:—

Year	*Areas benefited by the G.M.F. Schemes.*	*Estimated additional production realised.*
	Acres	Tons
1949-50 ...	287,528	43,440
1950-51 ...	352,197	69,828
1951-52 ...	300,264	67,735
1952-53 (up to end of December 1952),	145,134	Not yet calculated as the year is incomplete.

Community Project.—The Project was officially inaugurated on 2nd October 1952 along with other similar Projects all over India. The area has been divided into three Blocks, the Community Project being extended to about 378 populated villages of both the taluks of Sorab and Shikaripur. During 1952-53 works has been started in the

first development block with headquarters at Shiralkoppa. Survey work in the villages of the first block has been completed. Improvement of minor tanks has been taken up and other items of work like construction of village roads of an urgent nature and setting up model manure pits and the distribution of improved standards of paddy, are being started shortly. A grant of Rs. 25 lakhs has been included for 1953-54.

Economic Development and Planning Department.—In the State Five-Year Plans, highest importance is given to the development of agriculture, irrigation and power, which alone account for a total expenditure of Rs. 24·27 crores. During the first two years of the plan period, *viz.*, 1951-52 and 1952-53, it has not been possible to implement the planned programme of expenditure in full, the short-fall being chiefly due to insufficient provisions on account of non-realisation of additional resources like additional taxation and loans from market. Against the Central assistance of Rs. 8 crores agreed to in the plan for the full five-year period, a sum of over Rs. 4½ crores has been received up to date for the two years' period. Against the planned expenditure of Rs. 719·32 lakhs, a sum of Rs. 517·43 lakhs has been expended and during the current year a sum of Rs. 593·36 lakhs has been provided for expenditure as against an allotment of Rs. 792·01 lakhs in the plan. There will thus be a short-fall in the planned expenditure of Rs. 400·54 lakhs for the first two years of the plan. As it was made clear in the last Budget speech, the plan can be implemented only to the extent of resources available. With the provisions now made, we have first to think of wiping out the deficit and any enhancement in the provisions can be thought of only with the increased Central assistance.

The Bhadra Reservoir, Honnemaradu and Fertiliser Projects costing Rs. 20 crores, Rs. 30 crores and Rs. 3·5 crores, respectively, were requested to be implemented as Central Sector Schemes and Grants amounting to Rs. 1 crore for Malnad Development and Rs. 80 lakhs for Amelioration of Depressed Classes were requested from the Centre for the State Sector of the Plan. Loans from the Centre amounting to Rs. 9·6 crores were requested for the State Sector of the Plan for the manufacture of Electrical, Industrial and Domestic equipment, expansion of Cottage and Small Scale Industries and for Raw Film Industries. The Planning Commission have agreed to consider the inclusion of Bhadra Reservoir Project in the final All-India Plan after the report of the Special Distress Relief Committe was received and have made provision in the final Plan of India for Distress Relief Measures in the affected States. The Central Government have agreed to finance the Development Schemes of Iron and Steel Works entirely from the Central Sector of All-India Plan. Some of the schemes could not be given effect to as programmed as the details were under further examination. The representatives of this Government are having further discussions with Government of India and the details of the assistance for Iron Works are expected to be finalised shortly.

Distress Relief.—Owing to failure of timely and adequate rains, the Districts of Kolar, Tumkur and Chitaldrug and certain tracts in the remaining districts were adversely affected. Timely measures were taken to meet the situation and afford all possible relief. As distress conditions spread to a large area during 1952-53 affecting nearly two-thirds of the population owing to the low rainfall a Special Officer with State-wide jurisdiction was appointed as the Commissioner for Distress Relief and a programme of relief works drawn up by him was undertaken in all the distress areas.

A sum of Rs. 42 lakhs was provided for expenditure on various kinds of relief works such as desilting of tanks, excavation of temporary wells, construction of inter-village and approach roads, supply of fodder, etc. In addition to the works started through the revenue agency the Public Works Department started Grow More Food Works on an intensive scale, mostly irrigation works in the distress areas. The village

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Panchayets,the District Boards and the Rural Development Department have also started relief works wherever possible out of their own resources and the execution of works valued at Rs. 4 lakhs by the District Board, Kolar, is worthy of special mention.

The gift of grains of 2,025 tons of wheat, 941 tons of rice, 58 tons of condensed milk received from Russia through the Indian Red Cross Society are being issued to workers employed on Community Works under the supervision of the Public Works Department.

About 4,000 tons of hay of the value of Rs. 5 lakhs were procured and distributed to the scarcity areas during 1952-53. Action has been taken to procure more stocks of hay to meet any scarcity that may arise in future.

Liberal loans to the extent of Rs. 14 lakhs were made available for distribution in the distress areas. Besides this a sum of Rs. 5 and odd lakhs was provided for subsidies on account of irrigation wells. As a measure of relief to the ryots, a sum of Rs. 5·3 lakhs of land revenue (Dry and Wet) has been remitted and the collection of Rs. 4·5 lakhs has been suspended for the year 1951-52.

Two hundred and forty Gruel Centres are run by private persons in the Distress areas. Two hundred and sixteen Government Food-grain Depots were opened to cater to the needs of the rural population. The Indian Red Cross Society have opened the Red Cross Centres for distribution of milk, multi-vitamin tablets and cloth to the destitutes.

As decided in the Distress Conference held at Mysore, in September 1952, a Central Distress Relief Committee was constituted for the State, in addition to Committees at the District, Taluk and Village levels to give suggestions regarding relief measures.

The Prime Minister of India was pleased to tour the Distress areas of Mysore during October 1952, and the Expert Committee under the leadership of Sir S. V. Rama Murthy who were deputed by the Government of India to suggest permanent measures for relieving distress, were presented with full particulars regarding the cause of distress and measures necessary for their eradication together with the financial assistance required from the Government of India. The matter is now under correspondence with the Centre and it is earnestly hoped that the Government of India will give their serious consideration to the matter and extend liberal help.

In the Budget a grant of Rs. 30 lakhs for Relief Works and a loan of Rs. 25 lakhs under Takavi Loans have been provided on the basis of anticipated financial assistance.

3 P.M.

Prohibition.—Prohibition is now in force in five Districts. There have been several comments regarding the success of this policy and its financial effects. As members are aware this is a general question affecting India as a whole. While it may take time to decide about the extension or removal of prohibition in view of the several problems involved certain re-adjustments in the existing Scheme between Dry and Wet Districts call for urgent attention.

Labour Housing.—The Labour Housing Corporation was constituted in August 1952. As an immediate measure it has been proposed to take up the construction of 200 quarters for the labourers of Sri Krishnarajendra Mills, Mysore, 100 quarters for the labourers of Hindustan Aircraft and 100 quarters for the labourers of Indian Telephone Industry. The question of increased assistance from the Centre by way of grants and loans under the Subsidised Scheme of Labour Housing is under correspondence. The Chairman, Housing Corporation, was deputed to Delhi for discussions regarding increased assistance. There is an indication of assistance to the extent of at least Rs. 50 lakhs during the coming year. The Budget provides for increased loans to the Housing Corporation for 1953-54 assuming larger financial assistance from the Centre. I may assure the House that Labour Housing is receiving earnest consideration and with reference to the Central assistance which may be

actually received, increased grants will be provided.

Department of Agriculture.—Several new schemes of Agricultural research and development have been initiated. Investigations have been started to evolve suitable varieties of Sweet Potatoes for food and as a source of industrial starch. Introduction and acclimatisation of Egyptian Cottons in the State has been fairly succesful and further physiological work on these cottons has been taken up with the assistance of the Indian Central Cotton Committee. The problems relating to the improvement of Areca which is a very important cash crop of the Malnad are being examined under a Scheme sanctioned by the Indian Central Areca Committee.

In the Training and Extension Centre for intensive training in extension methods with the generous aid provided by the Ford Foundation Centre, 31 Village Level Workers including a good number of Agricultural Graduates and Licentiates have been trained and posted to work in several groups of villages in Malavalli Taluk where a Pilot Extension Programme on the lines of Etwah Project has been initiated. Another batch of about 40 candidates are under training.

One hundred villages in Malavalli Taluk have been selected for intensive work and during the past four months, 34 Young Farmers Clubs with 700 members have been started. A number of meetings and demonstrations were conducted.

In order to extend the benefits of agricultural research and intensive Rural Reconstruction Programmes to other districts, two extension centres under the auspices of the Agricultural Department were opened in Sosale in T.-Narasipur Taluk and Chikkanahalli in Sira Taluk. Another 100 villages in the Community Project area at Shiralakoppa have been selected for intensive agricultural development. Sixteen Village Level Workers have already been trained and they have already started work in the area.

Measures are under way to popularise the Japanese method of paddy cultivation all over the State.

In addition to these main developments, the Agricultural Department has devoted much attention to the long range problems that beset the farmer. New varieties of crops are being evolved and tested. Economic and adequate fertilisation schedules are being worked out. A large number of new insecticides and fungicides are being tried out to determine their effectiveness against plant pest and diseases. New methods of pest control by Biological methods such as parasitisation and resale of predators have been evolved and it is a matter of pride that in this new field Mysore has been and is still the pioneer among the States of the Union.

Tractor organisation.—Government have come to the conclusion that this Scheme has not been successful to the extent anicipated and it is proposed to substantially reduce expenditure on this Scheme retaining only Bulldozers.

Forest Department.—Though there has been a persistent demand from the public for the release of more and more lands for cultivation, the policy has been to refuse such demands in general and agree to the release of lands only from forests of an unimportant and minor kind. The conservation of existing forests is treated as of paramount importance.

The greatest problem facing the department is to meet the esential requirements of firewood to the growing civilian population in the urban areas and the various industries and this continued to engage the attention of the department. More than 10,000 acres in Maidan and Malnad areas have been planted up with fast growing fuel species during the last five years and the current year's target is nearly 1,750 acres in addition to the maintenance of existing areas. The progress is being hampered by failure of rains. However to achieve the desired results the policy of the department has been to reduce acreage under new plantation and concentrate attention on successful stocking.

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In spite of several handicaps the requirements of the Industries and the public were arranged for by the department.

The depreciation in the market, the unsteady monetary conditions, tight control over financial transactions by the Banks, and the low purchasing power of the public contributed to substantial reduction in the revenue of the department.

The unsteady conditions in the Sandalwood and Sandalwood Oil market caused certain anxiety during the year. The selling rates for Sadalwood had to be revised more than once to keep up with the trend of the market. The question of adopting a common policy for the disposal of Sandalwood of Madras, Mysore and Coorg Government has been actively taken up and the Madras Government have constituted a Sandalwood Advisory Board.

Co-operative Societies.—The possibilities of entrusting the Apex Bank with the administration of the rural short-term credit to the agriculturists from the Financial Assistance expected from the Agricultural Credit Department, Reserve Bank of India, Bombay, is engaging the immediate attention of Government. As required by the Reserve Bank, Government have agreed to subscribe Rs. 5 lakhs towards the increased share of capital of the Apex Bank. The question of setting up suitable intermediary agency for prompt recovery of loans is also engaging the attention of Government. Government have sanctioned the deputation of the President of the Apex Bank and the Joint Registrar to study the working of the branches of the Provincial Bank and the District Central Banks in Bombay and Madras in order to suggest the required pattern of such agency best suited to the Mysore State. It is hoped that with the financial aid immediately expected from the Reserve Bank, it will be possible to render greater financial assistance to the Agriculturists of the State.

Public Works Department.—In spite of their slender resources, Government have been paying primary attention to irrigation projects. The following grants have been allocated for 1953-54 in respect of Irrigation Schemes included in the Five-Year Plan:—

	Rs.
1. Restoration of Minor Tanks.	15·00 lakhs
2. Desilting of Tanks ...	5·00 ,,
3. Construction and improvement of river and tank channels.	18·00 ,,
4. Land Improvement Schemes.	6·00 ,,
5. Major Tanks ...	22·85 ,,

Big Projects.—The following table shows the progress achieved and grants for 1953-54:—

	Estimated cost.	Expenditure to end of 1952-53.	Grants for 1953-54.
	Rs.	Rs.	Rs.
Bhadra ...	1775 lakhs	117 58 lakhs	40·00 lakhs
Tunga ...	200 ,,	101·61 ,,	32·00 ,,
Nugu ...	240 ,,	64·02 ,,	20·00 ,,

The Government of India have been requested to provide suitable financial assistance and the importance of these works has been sufficiently stressed.

Comunications.—Increased grants have been provided for layout and maintenance of Roads and Bridges. The following are the provisions included for roads.—

Original Works.			(Rs. in lakhs.) Revised 1952-53.	Budget 1953-54
Roads—	Major	...	42.29	46·74
	Minor	...	·50	·50
Bridges—	Major	...	10·82	9·63
	Minor	...	1·00	1·00
Repairs—	Roads	...	51 71	61 71
	Bridges	...	·32	·32

Electrical Department.—Fall in the net receipts is anticipated during the current year on account of the power cut effected, fire accident in the Champion Reef Mine, break-down of the Ferro-Silicon Plant and postponement of service to the furnaces in Bhadravati and the increased contribution to the Depreciation Fund.

During the year all the eight units at Jog Generating Station and the Receiving Station at Bhadravati were commissioned for service and the transmission line from Bhadravati to Bangalore was charged and the change of frequency from 25 Cycles to 50 Cycles at all places in the north-western part of the State was effected. The work of

converting the frequency at Bangalore, Mysore and Tumkur Districts is progressing rapidly.

Power supply to Irrigation Pumping sets on an elaborate scale has been arranged in all the Districts during the year with the loan of Rs. 50 lakhs obtained from the Government of India. Seven hundred and ten Irrigation Pumps have been serviced during the year and an expenditure of Rs. 19·41 lakhs was incurred to end of December 1952.

It may be remembered that Sri S. V. Rama Murthy Committee which toured affected areas of the State has recommended that particular areas are very advantageously situated for Lift Irrigation by Electricity. It is hoped that Government of India would give liberal loans for the coming year.

During the year power supply has been extended to Chiknayakanahally, Shikaripur, Kodiganahalli, Turuvekere, Gudibanda, Holalkere, Hosadurga, Banavar, Anayatti, Bagepalli, Heggaddevankote and other villages.

There is a great demand for power supply. The State is unable to meet the demand unless new projects are taken up. The rapid progress evidently depends on the availability of Central Assistance or public loans.

Industries and Commerce Department General.- Having regard to the present financial position of the State, only essential development schemes and expansion programmes have been taken up and all possible efforts are being made to secure the economic working of the industrial concerns.

The proposal to set up an Industrial Directorate in the State had also to be postponed owing to financial considerations.

The Board of Management of Mysore Iron and Steel Works has been reconstituted and proposals are under consideration for delegating wider powers to the Board for effectively managing the increased activities of the concern.

The Board of Management of Industrial Concerns has also been reconstituted and amalgamated with the Board of Management of the Government Electric Factory and Government Porcelain Factory as it was considered that such centralisation would help to maintain a uniform policy and enable an effective assessment of production, organisation and financial results in all the concerns.

Mysore Iron and Steel Works.— Rapid progress has been made in respect of several development schemes undertaken in the Mysore Iron and Steel Works. The first Electric Pig Iron Furnace has been put into operation and its performance is reported to be satisfactory. The second furnace is also expected to go into production shortly. The other development schemes of the Works are being implemented during 1953-54 when the necessary finance from the Centre is expected to be realised.

Development Schemes; Government Electric Factory.—Steps are being taken to expand the Transformer Section of the Government Electric Factory at a cost of about Rs. 10 lakhs.

Government Porcelain Factory.— Expansion of the Government Porcelain Factory to manufacture High Tension Insulators for which there is a large demand in the country with the technical collaboration of a reputed Japanese manufacturing firm is also under active consideration. Negotiations with the Japanese firm have been successfully concluded and Government hope to implement the scheme as soon as the approval of the Government of India is received.

Raw Film Industry.—The scheme for the establishment of a Raw Film and Photographic Papers Manufacturing Industry in the State has been revived. The present proposal is to establish it as a State-aided Joint Stock Enterprise. The Government of India have also been requested to participate in the scheme by subscribing a part of the Share Capital.

Tin Can-making and Fruit Preservation Industry.—It is proposed to start a Tin Can Making Plant at Krishnarajapuram utilising the machinery purchased from the Defence Department. The Fruit Preservation Industry

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which is now being run on a pilot plant scale is also proposed to be expanded after converting it into a Joint Stock Company.

Central Industrial Workshop.—Government are also examining a scheme for the shifting of the Central Industrial Workshop to the Government Electric Factory area, and undertaking therein the special maintenance works pertaining to the State's Tractor Organisation and the Mysore Government Road Transport Workshop in addition to its existing lines of production.

Fertiliser Project.—The scheme for the establishment of a Fertiliser Project at Bhadravati had to be dropped for the present as the Planning Commission were not inclined to recommend financial assistance for the scheme in view of its being linked with the Honnemaradu Electric Project.

Cottage Industries.—The development of handicrafts, cottage industries and khadi is continuing to receive the special attention of Government. Though, in view of financial stringency, some of the production centres were closed down, 31 centres are still being maintained and are reported to be doing useful work especially in giving training to artisans.

Sir M. Visvesvaraya's Rural Industrialisation Scheme which was introduced in Bangalore and Kolar Districts in the year 1950 is being continued in those two districts. The scheme has also recently been extended to another district, *viz.*, Mandya.

The Provincial Handloom Co-operative Society is reported to be functioning satisfactorily. The Handloom Industry has been facing a crisis and all possible steps are being taken for assisting the industry. A Handloom and Designing Centre has been opened in September 1952 and experiments are being undertaken at the Centre.

Rural Development Scheme, Amelioration of Depressed Classes.—The work of Rural Development and Amelioration of Depressed Classes are obligatory duties of the District Boards now. As, however, the financial arrangements under the new Act are not yet complete and the Boards will formulate their schemes for development only after this is done, Government is continuing the work of Rural Development as a temporary measure. It will be necessary for Government to transfer the work of Rural Development to Local Bodies as the State Revenues cannot obviously bear the cost after surrender of a good portion of the Land Revenue and Cesses.

The question of arranging elections to the Village Panchayets and the District Boards under the new Act was reviewed. One view that was urged on the Government in this behalf was that direct elections may be arranged to District Boards in place of the indirect elections through electoral colleges of members of the Village Panchayets. On a full consideration of the matter in all its aspects, Government have decided that the system of indirect elections provided for in the Act at present based on the expert opinion of the Sri Venkatappa Committee is well worth a trial and are accordingly proceeding with the work of constituting the Village Panchayets under the new Act. After the Village Panchayets are constituted, the elections to the District Boards will be arranged. It is expected that this work may be completed by about the middle of next year.

University.—As the existing scale of expenditure on University Education is beyond the State's resources, Government consider that it will be no longer possible to continue the existing level of grants and there is immediate need to find additional resources by increasing the scale of fees in the several courses of University Education.

Educational Reforms.—In September last year, the Government appointed a Committee to examine the state of Education in Mysore in all stages and to make recommendations for its reorientation and development. The Committee have evolved a comprehensive and co-ordinated plan relating to every stage and phase of education from the pre-Primary to the University and

Post-Graduate. Their report is before the Government. A notable feature of the recommendations is the thorough re-orientation of Education by the recognition that manual labour and social service are indispensable elements and an integral part of our Education. The Committee have suggested methods by which the energies of students should be utilised in useful channels of work and service.

The committee have examined the Financial implication of the proposals and have also suggested some new sources by which part of the funds needed could be found. The implementation of all the schemes recommended will, it is estimated, require an additional recurring expenditure of Rs. 92·07 lakhs in the first year rising to about 2·73 crores in the fifth year and Rs. 5 crores in the tenth year of the scheme.

The Committee have suggested the securing of a substantial part of the expenditure on compulsory education, development of basic education, propagation of Hindi, Research, the development of N.C.C., development of the regional literature and establishment of Janata Colleges, etc., by subsidies from the Central Government. They have also suggested an enhancement of School fees and Examination fees, so that they may be at par with the rates obtaining in the neighbouring States. Other sources of revenue have also been suggested.

The Committee have indicated a scheme of priorities and the following are given higher priorities in the order given :—

(1) Primary Education.
(2) Vocational and Technical Education.
(3) Teacher Training.

No doubt the recommendations made by the Committee are the minimum requirements of the State. The first problem before Government is to wipe out the deficit in the State Budget and the implementation of the scheme depends on how far public could assist us as also on Central assistance.

Medical Department.—Five new dispensaries were opened in the State during the year bringing the total number of Medical Institutions to 498. Taking into consideration two dispensaries in Mysore City returned by the Military to the Medical Department, the total number comes to 500. This gives an average of one institution to an area of 58·9 square miles and for a population of 18,341.

Of the total number of institutions as many as 404 or more than four-fifths of the total number are in Rural areas and only 96 in the Urban areas; 75 institutions are specially meant for women and children and 425 are general institutions meant for all; 111 are financed entirely by Government, 372 receive contributions from Local Bodies; 15 are aided and 2 are non-aided institutions.

Government have since issued orders revising the rates of hospital charges and fixing standard diet. The total grant provided for the Medical Department during 1953-54 is about one crore as against this hospital receipts amount to only Rs. 8·50 lakhs. From this it could be seen that the patients contribute only a very small percentage of the expenditure incurred by Government. It is impracticable for the State with its slender resources to meet any further demand unless public come forward with liberal donations and contribution not only for construction of buildings but also for recurring charges like equipment, medicines, bedding and clothing.

Public Health.—There are now 175 Health Units under the control of this department. As a result of the increased activities of the department, the state of Public Health was generally satisfactory. Government have recently sanctioned opening of 44 Health Units to enable the department to further extend its activities. Increased provision has also been included in the Budget.

B.C.G. Vaccination Scheme.—Government have approved that B.C.G. Vaccination Scheme on a mass scale be introduced in the State as a measure of

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prevention of Tuberculosis. The B.C.G. Vaccination campaign was started in Davangere during October 1952. A total of 88,854 persons were tested and of these 38,254 were found to be negative. Among the negatives 38,152 were vaccinated with B.C.G. vaccine. This is stated to be a record progress. Now the programme is in progress in Mysore City.

Judicial Department.—Orders have been issued revising the scales of the pay of the Munsiffs and the question of revision of scales of pay of High Court Judges, District and Subordinate Judges is under consideration. As the work in the several Bench Courts in the State was not satisfactory, these were abolished during the year and the work was distributed among the several stipendiary Magistrates' Courts.

The Government of India have been requested to bring into force the Notaries Act in Mysore State.

Prisons Department.—Increase in the expenditure is expected during the next financial year as there has been considerable increase in the prison population due to prohibition cases necessitating extra expenditure on ration and diet charges. Increased cost is also due to special medical care provided for the convicts.

Government have been taking steps for the development of special industries in the State Jails like—

1. Weaving,
2. Rattan,
3. Carpentry,
4. Carpet Making,
5. Book-Binding and Printing and
6. Tailoring, etc.

In addition, the installation of Japanese Garbo Spinning Plant and six powerlooms at the Central Jail, Bangalore, at an estimated cost of Rs. 68,000 has been taken up. The employment of convicts in these handicrafts and other industries will enable them to earn their living and lead an honest life after their release from Jail.

Arrangements to start a Borstal School at Bangalore for the industrial education of juvenile offenders are under consideration of Government and its financial implications are being examined.

Every endeavour is being made to make jails and lock-ups self-supporting by employing convicts on "gainful occupations" with a view to minimise the expenditure on their maintenance in jails and lock-ups.

The object of Government has all along been to adopt methods of treatment to reform and rehabilitate prisoners in society instead of forcing them to merely suffer punishment for the offences committed by them. Arrangements for edu ating the younger convicts have been made in the two jails and for the first time visual education has been introduced in the Central Jail. Schemes for deputing batches of convicts to big construction works are being examined.

Anti-Corruption and Efficiency Audit Departments :-Anti-Corruption Branch.— At the commencement of the year under report, enquiries were on hand in respect of 1,006 petitions. During the year (from 1st April 1952 to 31st January 1953) 1,189 petitions were received in the Branch. Out of the total number of petitions received, 773 containing allegations of a less serious nature were referred to the concerned departmental officers for necessary action. Among the other petitions examined or enquired into, the allegations made in 752 cases were found to be either false or incapable of proof and enquiries in respect of 100 in which the allegations were substantiated resulted in suitable punishments to the offenders.

In this connection it has to be stated that the value and importance of the work of this Branch cannot be gauged mainly on the number of cases detected but on the general moral atmosphere that is or is attempted to be created. The activities of the department, though

handicapped on account of the inherent difficulties, have done much to create such an atmosphere by infusing a wholesome fear in the minds of anti-social elements that their objectionable practices will not go unnoticed. Not only corruption and malpractices of various kinds in practically all departments of the Government have come within its purview, but even those among the public who are guilty of such anti-social acts, such as hoarding, blackmarketing, etc., have not been left free.

Efficiency Audit Branch.—The Branch conducted 77 inspections of Government offices of several departments and surprise inspections have been conducted with a view to check the work of officers against whom complaints were received and also to tone up discipline in such offices.

This Branch during the course of audit has brought to notice several irregularities including loss of revenue.

Road Transport Department.—The Government Road Transport Department Bus Services were inaugurated on 12th September 1948 with the intention of nationalising the Bus Services in the State beginning with those touching Bangalore. But this object could not be achieved so far and the Government buses were running in competition with the private buses. Government Bus Services have now been running on six routes on a monopoly basis, all the private services have been eliminated on these routes and the displaced operators have been granted alternative routes elsewhere. It is gratifying to note that the earnings of the Government buses have increased after monopolising the six routes.

Integration of Service in Mysore.—Consequent on the establishment of the Indian Civil Administrative and Indian Police Cadres in Mysore with effect from 26th January 1951, the integration of services is completed. The fixation of pay and allowances of the several officers formally appointed to the two All-India Services has also been successfully concluded and this has necessitated the provision of additional funds under General Administration and departmental Budgets.

Stores Purchase Committee.—The total value of purchase of all kinds arranged by the Stores Purchase Committee both from Firms in India and Foreign countries during the period from 1st January 1951 to 30th December 1952 was Rs. 2·77 crores. In the selection of materials and placing of orders preference was given to indigenous products whenever available and only when absolutely necessary, orders were placed with firms in foreign countries. There is a dearth of ex-stock offers and there was a marked tendency towards increased prices especially in the case of imported machinery and electrical materials.

Water Supply Scheme.—Government sanctioned a loan of Rs. 50 lakhs for financing water supply schemes in the several Municipalities. This loan has been distributed. As most of these works are expected to be executed in 1953-54 under the agency of the Public Works Department, the current year's grant of Rs. 50 lakhs on the loan account has been continued. The question of advancing further loans will be kept in view with reference to the State's financial resources.

Conclusion.—We are passing through difficult times. The financial horizon is dark and hazy and we need courage and firmness to meet difficulties. I hope that with wisdom and courage, with the co-operation of the Legislature, and the whole-hearted support of the country, we can tide over the difficulties.

"JAI HIND".

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APPENDIX.

Mysore Budget 1953-54.

(In lakhs of Rupees)

	Actuals, 1951-52.	*Budget*, 1952-53.	*Revised*, 1952-53.	*Budget*, 1953-54.
Receipts—				
Opening Balance	427·92	389·18	481·20	275·83
Revenue Receipts	1830·52	2001·62	1967·26	2062·25
Receipts from Debt Heads, Contingency Fund and Public Accounts.	13643·63	12978·17	14074·29	12516·06
Total ...	15902·07	15368·97	16522·75	14854·14
Expenditure—				
Revenue Expenditure ...	1834·54	2103·34	2021·01	2219·58
Capital Expenditure ...	294·99	504·99	501·18	562·27
Expenditure on Debt Heads, Contingency Fund and Public Accounts.	13291·34	12447·51	13724·73	11933·30
Closing Balance ...	481·20	313·13	275·83	138·99
Total ...	15902·07	15368·97	16522·75	14854·14
New Result—				
Surplus (+) Deficit (−)				
(*a*) On Revenue Account ...	(—) 4·02	— 101·72	— 53·75	— 157·33
(*b*) Outside Revenue Account ...	+57·30	+25·67	— 151·62	+20·49
(*c*) Net excluding Opening Balance.	+53·28	— 76·05	— 205·37	— 136·84

I wish to bring to notice that there are two mistakes in printing in the copy of this speech circulated to members. On page 13, for the word "current" it should be "coming". On page 17, in the statement, "Revenue" should be read as "Revised". I express regret for it.

PAPERS LAID ON THE TABLE.

Schedule of Demands for Supplementary and Additional Grants for the year 1952-53.

Sri A. G. RAMACHANDRA RAO (Minister for Law and Education).— Sir, I lay on the Table of the House the Schedule of Demands for Supplementary and Additional Grants for the year 1952-53, copies of which have already been distributed to members.

Mr. SPEAKER.—The House will now adjourn for lunch and meet again at Five Minutes to Four.

The House adjourned at Twenty-five Minutes past Three of the Clock and re-assembled at Fifty-five Minutes past Three of the Clock.

[MR. DEPUTY SPEAKER (Sri R. Chennigaramiah) in the Chair.]

Mr. DEPUTY SPEAKER.— Sri Mohamed Imam may continue his speech.

Sri J. MOHAMED IMAM.—Sir, I will resume my speech. I will deal with some of the salient features which have been mentioned in the amendment. Anticipating the Budgetary position, I have stated that we are in a grave position so far as our financial position is concerned and that we are in for further taxation. My prediction has come true. The Finance Minister has